

7920 State Teachers' Retirement System

The California State Teachers' Retirement System (CalSTRS) administers retirement benefits for 879,329 (as of June 30, 2014) active and retired educators in public schools from pre-kindergarten through the community college system in California. Benefits include retirement, disability, and survivor's retirement benefits.

CalSTRS is governed by the Teachers' Retirement Board. The California Constitution provides that the Teachers' Retirement Board has authority over the administration of the retirement system; therefore, while the budget data presented here is subject to a Budget Act appropriation, the proposed appropriations are not reviewed or approved by the Governor.

3-YR EXPENDITURES AND POSITIONS

	Positions			Expenditures		
	2014-15	2015-16	2016-17	2014-15*	2015-16*	2016-17*
6450 Service to Members and Employers	772.0	1,095.0	1,121.0	\$176,799	\$492,042	\$507,321
6455 Corporate Governance	9.5	12.0	12.0	89,680	44,815	48,946
6460 Administration	235.5	-	-	227,661	-	-
6465 Benefit Payments	-	-	-	12,510,299	12,888,832	13,452,672
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	1,017.0	1,107.0	1,133.0	\$13,004,439	\$13,425,689	\$14,008,939
FUNDING				2014-15*	2015-16*	2016-17*
0835 Teachers Retirement Fund				\$12,965,056	\$13,383,014	\$13,969,171
0995 Reimbursements				18	339	-
8001 Teachers Health Benefits Fund				30,960	33,434	30,435
8005 Teachers Replacement Benefits Program Fund				7,374	7,600	7,400
8041 Teachers Deferred Compensation Fund				1,031	1,302	1,933
TOTALS, EXPENDITURES, ALL FUNDS				\$13,004,439	\$13,425,689	\$14,008,939

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Education Code, Title 1, Division 1, Part 13.

DETAILED BUDGET ADJUSTMENTS

	2015-16*			2016-17*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Workload Budget Change Proposals						
• Investment Portfolio Complexity	\$-	\$-	-	\$-	\$2,572	15.0
Totals, Workload Budget Change Proposals	\$-	\$-	-	\$-	\$2,572	15.0
Other Workload Budget Adjustments						
• Miscellaneous Baseline Adjustments	\$-	\$1,899	2.0	\$-	\$542,255	2.0
• Carryover/Reappropriation	-	-35,930	-	-	39,975	-
• Pro Rata	-	-	-	-	1,820	-
• Budget Position Transparency	-	-	-81.0	-	-	-70.0
Totals, Other Workload Budget Adjustments	\$-	-\$34,031	-79.0	\$-	\$584,050	-68.0
Totals, Workload Budget Adjustments	\$-	-\$34,031	-79.0	\$-	\$586,622	-53.0
Totals, Budget Adjustments	\$-	-\$34,031	-79.0	\$-	\$586,622	-53.0

* Dollars in thousands, except in Salary Range. Numbers may not add or match to other statements due to rounding of budget details.

7920 State Teachers' Retirement System - Continued

Teachers' Retirement Fund Summaries

0835 Teachers' Retirement Fund	PY* 2014-15	CY* 2015-16	BY* 2016-17
Beginning Balance	\$190,277,825	\$191,760,944	\$215,629,765
Revenues:			
Investment Income	\$7,822,802	\$29,897,256	\$25,396,000
Other Income	10,077	9,871	9,500
State Contributions	1,435,169	1,935,287	2,394,420
Employer Contributions	2,670,434	2,899,710	4,001,378
Member Contributions	2,509,711	2,496,389	3,291,202
Total Revenues	\$14,448,193	\$37,238,513	\$35,092,500
Expenditures:			
Pension Benefit Payments	\$12,279,256	\$12,558,407	\$13,131,591
Other Benefit Payments	193,053	201,500	192,940
Administrative Expenditures	215,023	255,287	279,465
Other Expenditures	190,050	266,173	262,787
Contribution Refunds	87,692	88,325	90,741
Total Expenditures	\$12,965,074	\$13,369,692	\$13,957,524
 Ending Fund Balance	 \$191,760,944	 \$215,629,765	 \$236,764,741
 8005 Teachers' Replacement Benefits Program Fund	PY* 2013-14	CY* 2014-15	BY* 2015-16
Beginning Balance	\$-	\$-	\$-
Revenues:			
Employer Contributions	7,375	7,600	7,400
Total Revenues			
Expenditures:			
Pension Benefit Payments	\$7,375	\$7,600	\$7,400
Total Expenditures			
 Ending Fund Balance	 \$-	 \$-	 \$-

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7920 State Teachers' Retirement System - Continued

PROGRAM DESCRIPTIONS

6450 - SERVICE TO MEMBERS AND EMPLOYERS

CalSTRS is responsible for the determination and payment of benefits to members, retirees, and their beneficiaries, and for the distribution of information to all members, employers, and other interested groups. CalSTRS' Defined Benefit Program includes service retirement, benefits for survivors, and disability benefits. Basic retirement benefits are generally based upon three factors: age at retirement, years of service, and final compensation. The member may modify the basic allowance by selecting a joint and survivor annuity option to provide benefits for their beneficiary after the member dies. Generally, the payments of benefits are made within 30 days following the effective date of the member's retirement. A member's retirement benefits, benefits for survivors, and disability benefits are determined by statute and/or contract provisions.

Income to CalSTRS is derived from contributions from members and employing school districts, appropriations from the General Fund, and investment earnings (see 6300 - State Contributions to the State Teachers' Retirement System). The cost of administration is paid from the Teachers' Retirement Fund, as provided in Section 22304(a) of the Education Code.

DETAILED EXPENDITURES BY PROGRAM

		<u>2014-15*</u>	<u>2015-16*</u>	<u>2016-17*</u>
PROGRAM REQUIREMENTS				
6450	SERVICE TO MEMBERS AND EMPLOYERS			
State Operations:				
0835	Teachers Retirement Fund	\$175,424	\$265,382	\$287,850
0995	Reimbursements	-	339	-
8001	Teachers Health Benefits Fund	344	434	435
8041	Teachers Deferred Compensation Fund	<u>1,031</u>	<u>1,302</u>	<u>1,933</u>
	Totals, State Operations	\$176,799	\$267,457	\$290,218
Unclassified:				
0835	Teachers Retirement Fund	<u>\$-</u>	<u>\$224,585</u>	<u>\$217,103</u>
	Totals, Unclassified	\$-	\$224,585	\$217,103
PROGRAM REQUIREMENTS				
6455	CORPORATE GOVERNANCE			
State Operations:				
0835	Teachers Retirement Fund	<u>1,988</u>	<u>3,227</u>	<u>3,263</u>
	Totals, State Operations	\$1,988	\$3,227	\$3,263
Unclassified:				
0835	Teachers Retirement Fund	<u>\$87,692</u>	<u>\$41,588</u>	<u>\$45,683</u>
	Totals, Unclassified	\$87,692	\$41,588	\$45,683
PROGRAM REQUIREMENTS				
6460	ADMINISTRATION			
State Operations:				
0835	Teachers Retirement Fund	\$37,593	\$-	\$-
0995	Reimbursements	<u>18</u>	<u>-</u>	<u>-</u>
	Totals, State Operations	\$37,611	\$-	\$-
Unclassified:				
0835	Teachers Retirement Fund	<u>\$190,050</u>	<u>\$-</u>	<u>\$-</u>
	Totals, Unclassified	\$190,050	\$-	\$-
PROGRAM REQUIREMENTS				
6465	BENEFIT PAYMENTS			
Unclassified:				
0835	Teachers Retirement Fund	\$12,472,309	\$12,848,232	\$13,415,272
8001	Teachers Health Benefits Fund	30,616	33,000	30,000
8005	Teachers Replacement Benefits Program Fund	7,374	7,600	7,400

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7920 State Teachers' Retirement System - Continued

	2014-15*	2015-16*	2016-17*
Totals, Unclassified	\$12,510,299	\$12,888,832	\$13,452,672
TOTALS, EXPENDITURES			
State Operations	216,398	270,684	293,481
Unclassified	12,788,041	13,155,005	13,715,458
Totals, Expenditures	\$13,004,439	\$13,425,689	\$14,008,939

EXPENDITURES BY CATEGORY

	Positions			Expenditures		
	2014-15	2015-16	2016-17	2014-15*	2015-16*	2016-17*
1 State Operations						
PERSONAL SERVICES						
Baseline Positions	1,143.0	1,186.0	1,186.0	\$78,423	\$89,091	\$89,298
Budget Position Transparency	-	-81.0	-70.0	-	-	-
Total Adjustments	-126.0	2.0	17.0	-7,437	206	8,550
Net Totals, Salaries and Wages	1,017.0	1,107.0	1,133.0	\$70,986	\$89,297	\$97,848
Staff Benefits	-	-	-	35,145	35,851	46,895
Totals, Personal Services	1,017.0	1,107.0	1,133.0	\$106,131	\$125,148	\$144,743
OPERATING EXPENSES AND EQUIPMENT				\$110,267	\$145,536	\$148,738
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$216,398	\$270,684	\$293,481

	Expenditures		
	2014-15*	2015-16*	2016-17*
4 Unclassified			
Consulting and Professional Services - External - Other	\$277,742	\$266,173	\$262,786
Retirement Disbursement	12,510,299	12,888,832	13,452,672
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)	\$12,788,041	\$13,155,005	\$13,715,458

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

	2014-15*	2015-16*	2016-17*
1 STATE OPERATIONS			
0001 General Fund			
APPROPRIATIONS			
011 Budget Act appropriation	(\$1,486,004	(\$1,935,287	(\$2,468,422
)))
TOTALS, EXPENDITURES	\$-	\$-	\$-
0835 Teachers Retirement Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$162,648	\$184,582	\$191,822
Past year adjustments	-10,678	-	-
Revised Expenditure Authority per Article 16 of the California Constitution	-48	-	-
Revised estimates	-	1	-
002 Budget Act appropriation	(194,390)	(194,390)	(264,286)
Revised estimates	(-)	(71,783)	(-)
003 Budget Act appropriation	80,065	81,599	56,053
Past year adjustments	1,697	-	-
Education Code section 22307 (admin costs)	2,656	2,911	3,263
Past year adjustments	-571	-	-

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7920 State Teachers' Retirement System - Continued

1 STATE OPERATIONS	2014-15*	2015-16*	2016-17*
Revised Expenditure Authority per Article 16 of the California Constitution	-97	-	-
Revised estimates	-	316	-
Prior Year Balances Available:			
Item 7920-001-0835, Budget Act of 2013 as reappropriated by Item 7920-490, Budget Acts of 2014 and 2015	4,649	4,649	-
Item 7920-001-0835, Budget Act of 2014 as reappropriated by Item 7920-490, Budget Acts of 2015 and 2016	-	4,880	4,880
Item 7920-003-0835, Budget Act of 2013 as reappropriated by Item 7920-490, Budget Acts of 2014 and 2015	12,000	88	-
Item 7920-003-0835, Budget Act of 2014 as reappropriated by Item 7920-490, Budget Acts of 2015 and 2016	-	15,058	14,500
Renumbered from Item 1920-001-0835, Budget Act of 2012 as reappropriated by Item 7920-490, Budget Act of 2013 and 2014	4,361	-	-
Item 7920-001-0835, Budget Act of 2015 as reappropriated by Item 7920-490, Budget Act of 2016	-	-	5,537
Item 7920-003-0835, Budget Act of 2015 as reappropriated by Item 7920-490, Budget Act of 2016	-	-	14,500
Totals Available	\$256,682	\$294,084	\$290,555
Unexpended balance, estimated savings	-12,641	-	-
Balance available in subsequent years	-29,036	-25,475	558
TOTALS, EXPENDITURES	\$215,005	\$268,609	\$291,113
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$18	\$339	-
TOTALS, EXPENDITURES	\$18	\$339	\$-
8001 Teachers Health Benefits Fund			
APPROPRIATIONS			
Education Code sections 25930 and 25940 (administration expenses)	\$408	\$434	\$435
Past year adjustments	-64	-	-
TOTALS, EXPENDITURES	\$344	\$434	\$435
8041 Teachers Deferred Compensation Fund			
APPROPRIATIONS			
Education Code section 24976 (403(b) Vendor Registry Operating Account)	\$782	\$1,303	\$1,933
Past year adjustments	-189	-	-
Revised Expenditure Authority per Article 16 of the California Constitution	438	-	-
Revised estimates	-	-1	-
TOTALS, EXPENDITURES	\$1,031	\$1,302	\$1,933
Total Expenditures, All Funds, (State Operations)	\$216,398	\$270,684	\$293,481
4 UNCLASSIFIED	2014-15*	2015-16*	2016-17*
0835 Teachers Retirement Fund			
APPROPRIATIONS			
Education Code section 24202 (benefit payments)	\$12,745,827	\$12,646,550	\$13,222,332
Past year adjustments	201,938	-	-
Revised Expenditure Authority per Article 16 of the California Constitution	-668,509	-	-
Revised estimates	-	182	-
Education Code section 24417 (purchasing power benefit payments)	208,190	201,500	192,940
Past year adjustments	-13,447	-	-
Revised Expenditure Authority per Article 16 of the California Constitution	-1,690	-	-

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7920 State Teachers' Retirement System - Continued

4 UNCLASSIFIED	2014-15*	2015-16*	2016-17*
Education Code section 22307 (administrative costs)	303,761	264,773	262,786
Past year adjustments	31,924	-	-
Revised Expenditure Authority per Article 16 of the California Constitution	-57,943	-	-
Revised estimates	-	1,400	-
TOTALS, EXPENDITURES	\$12,750,051	\$13,114,405	\$13,678,058
8001 Teachers Health Benefits Fund			
APPROPRIATIONS			
Education Code section 25930 and 25940 (benefit payments)	\$36,104	\$33,000	\$30,000
Past year adjustments	-2,384	-	-
Revised Expenditure Authority per Article 16 of the California Constitution	-3,104	-	-
TOTALS, EXPENDITURES	\$30,616	\$33,000	\$30,000
8005 Teachers Replacement Benefits Program Fund			
APPROPRIATIONS			
Education Code section 24255 (benefit payments)	\$7,523	\$7,600	\$7,400
Past year adjustments	-287	-	-
Revised Expenditure Authority per Article 16 of the California Constitution	138	-	-
TOTALS, EXPENDITURES	\$7,374	\$7,600	\$7,400
Total Expenditures, All Funds, (Unclassified)	\$12,788,041	\$13,155,005	\$13,715,458
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Unclassified)	\$13,004,439	\$13,425,689	\$14,008,939

FUND CONDITION STATEMENTS

	2014-15*	2015-16*	2016-17*
8001 Teachers Health Benefits Fund^N			
BEGINNING BALANCE	\$1,012	\$580	\$605
Prior Year Adjustments	1	-	-
Adjusted Beginning Balance	\$1,013	\$580	\$605
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4163000 Investment Income - Surplus Money Investments	-	10	10
4170900 Contributions to Fiduciary Funds	30,527	33,449	30,449
Total Revenues, Transfers, and Other Adjustments	\$30,527	\$33,459	\$30,459
Total Resources	\$31,540	\$34,039	\$31,064
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
7920 State Teachers' Retirement System (State Operations)	344	434	435
7920 State Teachers' Retirement System (Unclassified)	30,616	33,000	30,000
Total Expenditures and Expenditure Adjustments	\$30,960	\$33,434	\$30,435
FUND BALANCE	\$580	\$605	\$629
Reserve for economic uncertainties	580	605	629
8041 Teachers Deferred Compensation Fund^N			
BEGINNING BALANCE	\$1,159	\$1,205	\$1,273
Prior Year Adjustments	3	-	-
Adjusted Beginning Balance	\$1,162	\$1,205	\$1,273
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4163000 Investment Income - Surplus Money Investments	1	4	4
4172500 Miscellaneous Revenue	1,072	1,365	1,365
Total Revenues, Transfers, and Other Adjustments	\$1,073	\$1,369	\$1,369

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7920 State Teachers' Retirement System - Continued

	<u>2014-15*</u>	<u>2015-16*</u>	<u>2016-17*</u>
Total Resources	\$2,235	\$2,574	\$2,642
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
7920 State Teachers' Retirement System (State Operations)	<u>1,030</u>	<u>1,301</u>	<u>1,933</u>
Total Expenditures and Expenditure Adjustments	<u>\$1,030</u>	<u>\$1,301</u>	<u>\$1,933</u>
FUND BALANCE	\$1,205	\$1,273	\$709
Reserve for economic uncertainties	1,205	1,273	709

CHANGES IN AUTHORIZED POSITIONS

	<u>Positions</u>			<u>Expenditures</u>		
	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2014-15*</u>	<u>2015-16*</u>	<u>2016-17*</u>
Baseline Positions	1,143.0	1,186.0	1,186.0	\$78,423	\$89,091	\$89,298
Budget Position Transparency	-	-81.0	-70.0	-	-	-
Salary and Other Adjustments	-126.0	2.0	2.0	-7,437	206	6,785
Workload and Administrative Adjustments						
Investment Portfolio Complexity						
Assoc Pers Analyst	-	-	1.0	-	-	62
Investment Officer I	-	-	1.0	-	-	58
Investment Officer II	-	-	5.0	-	-	412
Investment Officer III	-	-	2.0	-	-	245
Personnel Spec	-	-	1.0	-	-	43
Portfolio Mgr	-	-	3.0	-	-	852
Staff Svcs Analyst (Gen)	-	-	2.0	-	-	93
TOTALS, WORKLOAD AND ADMINISTRATIVE ADJUSTMENTS	<u>-</u>	<u>-</u>	<u>15.0</u>	<u>\$-</u>	<u>\$-</u>	<u>\$1,765</u>
Totals, Adjustments	<u>-126.0</u>	<u>-79.0</u>	<u>-53.0</u>	<u>-\$7,437</u>	<u>\$206</u>	<u>\$8,550</u>
TOTALS, SALARIES AND WAGES	<u>1,017.0</u>	<u>1,107.0</u>	<u>1,133.0</u>	<u>\$70,986</u>	<u>\$89,297</u>	<u>\$97,848</u>

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